

## **INTERNATIONAL BUSINESS NEWS – MAY 2006**

**U.S. Department of Commerce**

**International Trade Administration – U.S. Export Assistance Center**

**425 West Capitol Avenue, Suite 700, Little Rock AR. 72201**

**Phone: 501-324-5794 Fax: 501-324-7380**

**[little.rock.office.box@mail.doc.gov](mailto:little.rock.office.box@mail.doc.gov) <http://www.buyusa.gov/arkansas>**

- **Dennis Millard, International Trade Specialist**
- **Ray Riggs, International Trade Specialist**
- **Mary Hayward, Export Assistance Specialist**



### **The Arkansas World Trade Club Presents World Trade Week 2006 Luncheon Program**

#### **CAFTA THE CENTRAL AMERICA-DOMINICAN REPUBLIC UNITED STATES FREE TRADE AGREEMENT**

**May 10, 2006 11:30 AM – 1:30 PM  
Little Rock Club 30<sup>th</sup> Floor  
Regions Bank Building  
400 West Capitol Avenue  
(Capitol & Broadway), Little Rock  
\$25.00 cost includes lunch**

**Program Presented by:  
Mr. James (Jim) McCarthy  
Senior Commercial Officer. U.S. Department  
of Commerce, San Jose, Costa Rica**

CAFTA-DR creates the second-largest U.S. export market in Latin America, behind only Mexico, and the 10th largest U.S. export market in the world. The United States exported almost \$16 billion in goods to the five Central American countries and the Dominican Republic in 2004, more than all exports to Russia, India, and Indonesia combined. U.S. export growth to the CAFTA-DR region has outperformed overall U.S. exports. From 2000 to 2004, export shipments to CAFTA-DR destinations grew by almost 16 percent, compared with less than 5 percent for overall U.S. exports.

CAFTA-DR requires important reforms of the domestic legal and business environment that encourage competitive business development and investment, protect intellectual property rights, and promote transparency and rule-of-law in the democratic systems that have solidified in the region over the past decade. CAFTA-DR is an important instrument to support U.S. national security interests; the FTA promotes closer economic cooperation among the Central American countries, thereby advancing regional integration and contributing to greater peace and stability in the region.

For a registration form and more information, go to <http://www.buyusa.gov/arkansas/caftameet0506.pdf>

### **EU SANCTIONS ON U.S. PRODUCTS BEGIN MAY 16**

Punitive customs duties on selected US goods as established by European Council Regulation 171/2005 may begin on May 16, 2006. These customs duties will be at a flat rate of 14%. There will not be a gradual increase of these additional duties, but an immediate implementation of the full rate. US products in transit or in customs warehouses at the date of enforcement are potentially exempt from the duties. Generally, affected products include agricultural items, textiles, industrial products, electronic products, paper products, and steel. For more information go to <http://www.buyusa.gov/europeanunion/sanctions.html>

### **AUDITS AND LEGAL RULINGS DEFINE HIGH STAKES OF NAFTA COMPLIANCE**

U.S. companies that import under NAFTA preference claims and U.S. exporters that provide NAFTA certificates of origin (CO) to their Canadian and Mexican customers are facing a higher-than-ever compliance threshold. That's the clear conclusion to be drawn from a series of recent developments that place a premium on maintaining or instituting NAFTA compliance best practices. Customs & Border Protection (CBP) considers NAFTA claims a significant potential risk area in its Focused Assessment (FA) audits and Importer Self Assessment (ISA) application reviews. CBP is also conducting "single issue" or "targeted" audits of NAFTA compliance. To learn more about this, read the May 2006 article from IOMA's "Managing Exports and Imports at <http://www.buyusa.gov/arkansas/naftaaudits.pdf>

**DEPARTMENT OF HOMELAND SECURITY DELAYS RULE  
REQUIRING AUTOMATED FILING OF  
SHIPPERS EXPORT DECLARATION DATA**

An interagency dispute is delaying implementation of a rule mandating that all export data requiring a Shippers export declaration (SED) be filed through the Automated export System (AES) or AESDirect. While the Census Bureau (part of the Commerce department) is ready to publish the rule, last-minute objections by the department of Homeland Security (which includes Customs & Border Protection) have derailed that plan. To read the report on this go to <http://www.buyusa.gov/arkansas/delayautosed.pdf>

**IMPORTANT REMINDER  
RE. WOOD PACKAGING MATERIALS  
From U.S. Dept. of Agriculture's  
Animal and Plant Health Inspection Services Website**

Effective July 5, 2006, APHIS and the Department of Homeland Security's Customs and Border Protection will require the immediate re-exportation of any ISPM-15 marked or unmarked wood packaging material (WPM) that is found to be infested with a live wood boring pest of the families Cerambycidae (longhorned beetle), Buprestidae (woodboring beetles), Siricidae (woodwasps), Cossidae (carpenter moth), Curculionidae (weevils), Platypodidae (ambrosia beetles), Sesiidae (clearwing moths) and Scolytidae (bark beetles). Plant pests that attack live trees prior to being manufactured into WPM will not survive the treatments prescribed in the regulation. If a wood boring pest is found in marked WPM, it confirms that the WPM has not been treated and marked in accordance with the regulation and will be re-exported. The importer will be responsible for any costs or charges associated with the re-exportation. This policy is an explanation of the existing regulations and is consistent with the intent of the rule and the Plant Protection Act.

For more information on requirements for wood packaging materials, go to the U.S. Customs and Border controls Website at <http://www.cbp.gov/xp/cgov/import/> Click on "Wood Packaging Materials," then "Frequently Asked Questions - FAQs"

**WHAT ONE NEEDS TO KNOW ABOUT  
INTELLECTUAL PROPERTY ISSUES TODAY**

**Paris, 19 April 2006**

From International Chamber of Commerce's Web page

Once a technical issue left to lawyers and a few policy experts, intellectual property (IP) rights have now become an issue with far broader reach and increasing political consequence. To help decision makers from all areas of society navigate and understand this issue better, the International Chamber of Commerce has published a new roadmap. The 2006 IP landscape is very colorful. New technology and innovation give rise to opportunities but also to challenges. Global concerns like development and AIDS require new thinking to ensure IP rights are protected to foster economic growth in emerging economies yet flexible so life-saving products reach those in urgent need.

"Many countries at all stages of development are increasingly using intellectual property rights protection to develop local innovation-based industries," said Urho Ilmonen, Chair of the ICC Commission on Intellectual Property, which produced the document. He added that the World Intellectual Property Organization had just had a record year for patent filings.

Other issues gaining greater attention are counterfeiting and piracy. Given the significant negative economic and social impact of these, they have their own section in this year's roadmap. Of greatest concern is the shortfall in IP rights enforcement. Identifying the need for an international, multi-sectoral approach to combat this, ICC initiated Business Action to Stop Counterfeiting and Piracy (BASCAP). More information on their work can be found at: <http://www.iccwbo.org/BASCAP>

With the feedback from users of last year's edition in mind, ICC has tried to explain more of the technical terms and it has added hyperlinks to the electronic and web versions of the 2006 roadmap. A copy of the full text can be found at: <http://www.iccwbo.org/iproadmap>

For further information, please contact:  
Daphne Yong-d'Hervé  
Senior Policy Manager  
Tel: +33 1 49 53 28 24  
[daphne.yongdherve@iccwbo.org](mailto:daphne.yongdherve@iccwbo.org)

**U.S.-SOUTHERN AFRICAN CUSTOMS UNION  
AGREE TO DEEPEN TRADE TIES**

From U.S. Department of State's Website

April 19, 2006

By Charles W. Corey, Washington File Staff Writer

The United States remains committed to concluding a comprehensive free-trade agreement (FTA) with South Africa and, in the near term, to strengthening the U.S.-Southern African Customs Union (SACU) trade and investment partnership, Deputy United States Trade Representative (USTR) Karan Bhatia said April 18.

A USTR press release noted that Bhatia made that commitment while meeting with senior officials from the member countries of the Southern African Customs Union (SACU) in Pretoria, South Africa. Discussions at that meeting, he said, "Focused on the best way to move forward on the FTA and how we can build upon and improve our trade partnership more broadly.

"To that end," he added, "the United States and SACU have agreed --subject to approval by Ministers --to establish a framework through which the parties will remain vigorously engaged in growing and deepening our bilateral relationship. "The United States and SACU will develop a joint work program to address a broad range of FTA and other trade- and investment-related issues and, potentially in the near-term, seek to conclude concrete trade and investment-enhancing agreements," added Bhatia.

He said the framework would establish a basis and building blocks for pursuing the FTA over the longer term. He noted that the proposed framework would require further consultations within the U.S. government and with U.S. stakeholders, including the private sector.

SACU member countries are Botswana, Lesotho, Namibia, South Africa and Swaziland.

The United States and SACU have had differences on some core issues in the FTA -- but the USTR press release acknowledges that these issues will require detailed examinations over the longer term.

For additional information on U.S. policy, see <http://usinfo.state.gov/af/> and <http://usinfo.state.gov/ei/>

**ZERO IMPORT TAXES FOR EQUIPMENT  
APPROVED BY THE RUSSIAN GOVERNMENT**

Through Government Resolution No. 168 of March 24, 2006, the Russian Federation has adopted temporary import duties for certain kinds of equipment for a 9-month period beginning April 29, 2006. Within this period, import duties are set to nil for about 700 kinds of equipment for agriculture, oil and gas, FMCG, wood processing, aircraft and shipbuilding, printing and electronic industries. For a complete listing and other details, go to <http://www.buyusa.gov/arkansas/zerorussia.pdf>

**ADVERTISE IN THE NEXT CHINESE EDITION OF  
COMMERCIAL NEWS USA**

**Commercial News USA is planning  
two Chinese language editions in 2006:  
July-August 2006**

Free bonus for all Commercial News USA advertisers in the English language edition. For more information go to

<http://www.thinkglobal.us/>

Deadlines:

July-August Space Reservations: May 5th

Materials: May 12th

November-December Space Reservations:

September 8th

Materials: September 15th

Visit [www.export.gov/cnusa](http://www.export.gov/cnusa)

Call 1-800-581-8533 Free

We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement.

Contact us at:

[little.rock.office.box@mail.doc.gov](mailto:little.rock.office.box@mail.doc.gov)

<http://www.buyusa.gov/arkansas>

Phone: 501-324-5794 Fax: 501-324-7380